File No. 262 of 1931.

Collection No.

19

Resident's Office,

Bangalore.

Pros. Serial Nos. 1---6.

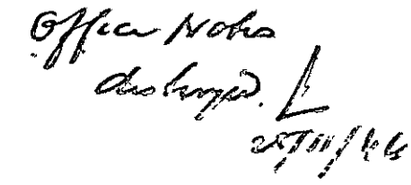
Subject.

Report on the Audit of Accounts of the Municipal Commission for 1928-29 - Question raised by the A.G., Madras, to place the report before the Commission for information and necessary action.

Previous References.	Later References.

S. 97. (Blue).

DOFP—1658S&P—(M-1937)—19-12-32—60,000.



CORRESPONDENCE.

1

OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS.

Fort St. George, 26th May *1931.*

Enclosures.

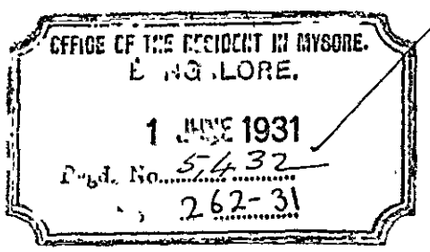
No. Bang.Audits 3-10-142
29-30

From

L.B. Ward Esq.,
Accountant-General,
Madras.

To

The Secretary to the Hon'ble
the Resident in Mysore,
Bangalore.



Subject: Report on the audit of the accounts ~~xxxxxxxxxxx~~ of the Municipal Commission for 1928-1929.

Sir,

I have the honour to report for the information and orders of the Hon'ble the Resident a case of difference of opinion between the Audit Officer, Bangalore, and the President, Municipal Commission, arising from an objection raised in the audit of the accounts of the Municipal Engineering Section for 1928-1929.

2. It will be noticed from the extracts enclosed that the objection was that the President exceeded the powers delegated to him (viz. expenditure up to a limit of Rs.500/---vide Commission's Resolution No.165 dated 30-5-1924) in sanctioning on different dates at an interval of a little more than a month two different estimates for Rs.498/- and Rs.342/- respectively for the construction of the compound wall of a school on the southern and eastern sides.

In submitting the last estimate for Rs.342/- for the wall on the east side of the school, the Municipal Engineer reported as under:-

"This will now complete the construction of the wall all round the school compound".

These sanctions were accorded at a time when work in connection with an estimate for Rs.1377/- sanctioned by the Commission on the construction of a compound wall on the other sides of the same school was in progress. The two estimates were thus virtually supplemental to the original one sanctioned by the Commission and formed part of the work of constructing a wall all round the school, though the necessity for them arose at different times. The Commission's sanction should therefore have been obtained for them instead of the President's sanctioning them piecemeal. A report to the Commission to regularise the expenditure was therefore suggested but the President is not able to agree with this suggestion and does not propose to refer the matter to them.

3. The sanction required in this case is a formal one to meet audit requirements but the reply of the President, however, raises an important issue as to whether he is competent to override the requirements of audit. If he disagrees with the view taken by audit, it is open to him to place the same with his remarks before the Commission for their decision.

In this connection, it may be brought to the notice of the Hon'ble the Resident that so far as this office is aware, there are no rules issued under the provisions of clause (o) of section 175 of the Bangalore Municipal law in regard to the placing of the Auditor's report before the Municipal Commission or their Standing Committee as is done in the Madras Presidency. It is desirable that suitable rules are framed under the Municipal law to ensure that important points noticed in audit are placed before the Commission for information

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or necessary action.

I have the honour to be,

Sir,

Your obedient servant,

Accountant-General.

R.S. 26/5

P.T.O.

Enclosures:--

I

Extract from para 2 of Audit Notes on the Municipal Works accounts for 1928-29

II

Reply to the above from the President in his letter No.R.467 dated 14-5-1930.

III

Extract from the Further remarks No. Bang.Audits 3-10-173 dated 8-6-1930.

IV

Copy of letter No. M/1348 dated 18-2-31 from the Municipal Executive Engineer.

V

Copy of this office letter No. Bang.Audits $\frac{3-10-1102}{29-30}$ dated 4-3-31.

VI

Copy of No.716/31 dated 8-5-31 from the President Municipal Commission to the Audit Officer.

Extract from para 2 of Audit Notes on the Municipal Works accounts for 1928-1929.

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2. Execution of works without proper sanction.

In the following instances works were carried out piecemeal on different estimates though the items taken as a whole required the sanction of a higher authority. The sanction of the competent authority may now be ~~xxxxx~~ obtained in each case and the expenditure regularised.

(b) Construction of compound walls for the Municipal Rahimania school--Three estimates.

(i) Estimate 1 of 28-29 for Rs.1377/ sanctioned by the Commission in Resolution No.18 dated 25-5-1928.

(ii) Estimate 5 of 1928-29 for Rs.498/- for constructing a compound wall on the south side sanctioned by the President on 26-9-1928.

(iii) Estimate 6 of 1928-29 for Rs.342/- for constructing a compound wall on the east side sanctioned by the President on 31-10-1928.

It is stated in the reports accompanying the last two estimates that the old mud walls collapsed during rains. As items (ii) and (iii) taken together exceed Rs. 500/- the limit up to which the President can sanction estimates, the sanction of the Commission is necessary.

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Extract from the reply of the President, Municipal Commission, Bangalore R.467 dated 14-5-30.

Para 2(b) The estimates were sanctioned when necessity for the works arose, and they were in each case within the powers of sanction of the President.

It does not seem necessary to obtain the sanction of the

Commission at this stage.

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Extract from Further remarks No. Bang.Audits 3-10-173 dated 8-6-1930.

Para 2(b): Estimates (ii) and (iii) were sanctioned while the work sanctioned by the Commission in Estimate (i) referred to in the audit notes was in progress. The case may be reported to the Municipal Commission as the different compound walls of a building could not be viewed as different works.

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Copy of letter No.M/1348 dated 18-2-1931 from the Municipal Executive Engineer, Civil and Military Station, Bangalore to the Audit Officer, Experiments, Bangalore.

Para 2(b) of audit notes on Municipal accounts for 28-29.

I have the honour to inform you that the estimates (ii) and (iii) were sanctioned when the necessity for the works arose and they were in each case within the powers of sanction of the President.

Estimate No(ii) was sanctioned on a requisition received from the Inspector of Schools and No.(iii) was sanctioned as the existing mud wall fell down.

It does not seem necessary to obtain the sanction of the Commission at this stage.

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Copy of Bangalore Audit Office No.Bang.Audits No.3-10-29-30-1102 dated 4th March 1931, to the President, Municipal Commission, Civil and Military Station Bangalore.

Replies to test audit notes on Municipal works accounts for 1928-29.

I have the honour to invite a reference to my further remarks in this office letter No. Bang.Audits 3-10-173 dated 8-6-1930 on your reply to para 2 (b) of the test audit notes referred to above and to forward in original for your information the reply received from the Municipal Executive Engineer. I regret I am unable to agree with the Engineer's view that it does not seem necessary to obtain the sanction of the Commission at this stage and would request that steps may kindly be taken as suggested in my further remarks referred to above as it is desirable to clear the outstanding points as early as possible.

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Copy of letter No.716/31 dated 8th May 1931 from the President, Municipal Commission, Civil and Military Station, Bangalore to the Audit Officer, Bangalore.

Subject: Replies to test audit notes on Municipal Works accounts for 1928-29.

With reference to your letter No. Bang.Audits 3-10-1102/29-30 dated the 4th March 1931 on the subject of paragraph 2(b) of the test audit notes referred to above, I regret that I am unable to agree with your suggestion that a reference to the Municipal Commission is necessary and I do not propose to refer the matter to them.

2. The enclosure received with your letter is returned.

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[R.O. 106 (a).]

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

OFFICE OF THE RESIDENT IN MYSORE,

Bangalore, 17th June 1931.

No. 4321 Enclos. 7

A copy of the marginally* noted letter, with enclosures, is forwarded to the President, Municipal Commission, C. and M. Station, Bangalore, for favour of early remarks.

*No. 3-10-142 23-30. dated the 26th May 1931, from the Accountant-General, Madras.

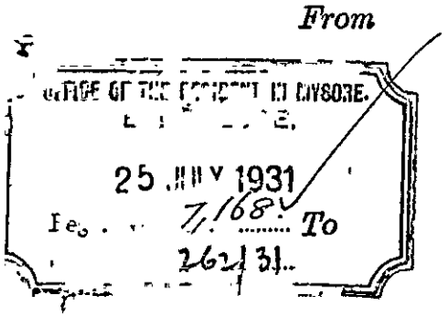
Secretary to the Resident.

23—10-4-1931—5,000—EPB.

H.O. 14 2,000—16—7—1931. 5

No. G.T. 62/31 CIVIL AND MILITARY STATION, BANGALORE.
MUNICIPAL OFFICE.
DATED 23-5 July 1931.

From



G. H. COOKE, ESQ., M. C., I. C. S.,
President, Municipal Commission,
C. & M. Station, BANGALORE.

The Secretary to the Hon'ble the Resident in Mysore,
Bangalore.

SIR,

Subject:- Report on the audit of the accounts of the Municipal Commission for 1928 - 29.

S.N.2 P 1) *With reference to your Memorandum No.4321/262-1931 dated the 17th June 1931, forwarding for my remarks a copy of letter No.3-10-142/29-30 dated the 26th May 1931 from the Accountant-General, Madras, on the above subject, I have the honour to observe as follows:-*

2) *The Municipal Commission in their resolution No.18 dated the 25th May 1928, sanctioned an estimate for Rs.1,377/- for constructing compound wall to the Rahimania School on Thimmiah road.*

3) *At the instance of the Inspector of Schools, Bangalore, an estimate for Rs.498/- for constructing a compound wall to the south of the school was sanctioned by me on the 26th September 1928. Subsequently, the mud wall to the east of the school fell down during the rains and an estimate for Rs.342/- for the work was sanctioned by me on the 31st October 1928.*

4) *It will thus be seen that the estimates were sanctioned on different dates when necessity for the works arose, but the Audit Officer pointed out that the sanction of the Municipal Commission was necessary as estimates 2 and 3 taken together exceeded Rs.500/-, the limit up to which I can sanction estimates.* (*Rs.498+342).

5) *I explained the position to the Audit Officer as stated above, but he persists in his objection though my action*

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was correct both according to the letter and the intention of the law. In the circumstances, I strongly urge that my action in sanctioning the estimates may be kindly upheld.

6) As regards the request of the Accountant-General in para 3 of his letter under reference, that rules may be framed to ensure that audit reports are placed before the Municipal Commission for information or action, I am of opinion that the anxiety to place audit objections before the Municipal Commission can hardly be explained, ~~unless it be a desire to create administrative difficulties for the President.~~ Auditors are appointed by the Hon'ble the Resident by virtue of the powers vested in him under the Act, and if there is anything wrong with the Municipal accounts, it is the duty of the Auditors to place the facts before him. As a matter of fact, important points requiring the approval of the Municipal Commission are placed before them. It will lead to unnecessary discussion and waste of time, if the audit report as a whole is placed before the Municipal Commission.

7) Another point which has to be taken into consideration is the fact that Bangalore is a Civil and Military Station where local conditions are not on a par with those obtaining in the Madras Corporation or other Municipalities. The President of the Municipal Commission is not elected, nor even appointed by the Hon'ble the Resident. He is President by virtue of his office as District Magistrate. The Commissioner of the Madras Corporation, though appointed by the Government, is removable by a 2/3 vote of the Corporation, while the President of the Commission is not. It is obvious that the rules of audit which may be suitable to Madras may not be conveniently adopted for this Station. At present the supreme authority in matters of audit is the Hon'ble the Resident. I feel that no case has been made out for a change in procedure which would virtually make the Municipal

Commission the ultimate authority.

I have the honour to be,
Sir,
Your most obedient servant,

23.7.31

President, M. C.

MVL.

HM 23/7/31

6

№ 6979a./ Draft. 25th Sept 1931

From

The Secretary to the Resident.

To

The Accountant-General,

Madras.

Audit of the Accounts of the Municipal Commission, Civil and Military Station, Bangalore, for 1928-29.

Sir,

With reference to your letter No. Bang.Audits.3-10-142/29-30, dated the 26th May, 1931, I am directed to forward a copy of a letter from the President, Municipal Commission, Civil and Military Station, Bangalore, No.Gt.62/31, dated the 23rd July 1931, containing his views on the subject, and to say that in the circumstances explained by the President, the Hon'ble the Resident upholds his action in sanctioning the estimates in question. In the peculiar conditions of the Civil and Military Station, the Resident also agrees with the views of the President as to the undesirability of framing rules to ensure that audit reports are placed before the Municipal Commission for information and action.

I have, etc.,

Secretary to the Resident.

Copy to the President, Municipal Commission, Civil & Military Station, Bangalore.

S.N.1.
Slip H.

S.N.5

x D (PUC)
Typist

The bracketed words in para. 6 of PUC to be omitted in copying.

new para

№ 6980
25/9/1931

18/9.